

Sarbanes-Oxley Whistleblower Protection Policy

IN 2002, DUE TO ROGUE ACCOUNTING ACTIVITY BY MAJOR GLOBAL corporations such as Enron, and WorldCom, and their public accounting firms, the “American Competitiveness and Corporate Responsibility Act of 2002” (known as the Sarbanes-Oxley Act) was enacted to increase regulatory visibility and accountability of public companies and their financial health.

While no comprehensive guidance exists on this subject for nonprofit organizations, for the past two years our Association has been actively studying the “Act” as a model for nonprofit governance standards. Specifically, at the encouragement of our Executive Director and NIRSA legal counsel, NIRSA adopted a specific Whistleblower Policy at the 2004 Midyear meeting of the Board of Directors. To our knowledge, NIRSA is the first organization within the Council of Higher Education Management Associations (CHEMA) to comply with these new regulations.

NIRSA has adopted the Whistleblower Policy to encourage employees, members of the Board of Directors, NIRSA members, and other persons affiliated with NIRSA to report to responsible persons possible (i) violations of law, (ii) accounting irregularities, and (iii) other suspected wrongdoing, including their own. The goal of this policy is to discourage illegal activity and business conduct that damages NIRSA’s good name, association interests, and its relationships with members, vendors, sponsors, and the community at large. While NIRSA does not encourage frivolous complaints, it does want any director, officer, employee, member, or agent of NIRSA (each “Affected Person”) who know of a Harmful Violation or potentially Harmful Violation to contact a representative of NIRSA through one of the methods contained in Section 7 of the Whistleblower Policy.

General Policy

Any Affected Person who, in Good Faith, makes a Disclosure pursuant to this policy with respect to a Harmful Violation or potential Harmful Violation is referred to as a “Whistleblower” and is protected from any retaliation by NIRSA. The purpose of the policy is to ensure that no Affected Person should feel at a disadvantage in raising legitimate concerns. The policy provides a means whereby Affected Persons can safely raise, internally and at a high level, serious concerns and disclose information that the Affected Person believes in good faith could cause a Harmful Violation.

Purpose

NIRSA has adopted this policy to (a) cause Harmful Violations be disclosed before they can disrupt the business operations of NIRSA, or lead to serious loss, (b) promote a climate of accountability with respect to NIRSA’s resources, including its employees, and (c) ensure that no Affected Persons should feel at a disadvantage in raising legitimate concerns.

Compliance Committee

As identified in the Whistleblower Policy, Section 7.3, the Compliance Committee is established to support the procedures of due process in the reporting and response to the Affected Person. If the Affected Person is not satisfied with the response after following the procedure set out in Section 7.1 or Section 7.2 the Disclosure will be confidentially, directed to the Compliance Committee. The role of the Compliance Committee includes:

- To make a preliminary investigation of the Disclosure
- If appropriate, report to the Outside General Counsel with a request for further investigation
- Accept the findings of the Outside General Counsel
- If the findings of the Disclosure have merit, the matter will be dealt with in accordance with this policy and/or NIRSA normal disciplinary procedures
- Report outcomes of the investigation to the Whistleblower

Annual Review and Reporting

The Outside General Counsel will make an annual report to the Compliance Committee. The Whistleblower Policy will be reviewed annually by the Compliance Committee and recommended changes submitted to the NIRSA Board of Directors.

Related Files

- Whistleblower Policy
http://www.nirsa.org/docs/Governing_Docs/Whistleblower_Policy.pdf
- Confidential Disclosure Form
http://www.nirsa.org/docs/Governing_Docs/Whistleblower_Confidentiality_Disclosure_Form.pdf